



THE CITY OF SEATTLE - REVENUE and CONSUMER AFFAIRS

BUSINESS LICENSE TAX

Was your revenue less than the \$80,000 taxable revenue threshold for 2008?

The City of Seattle has a "tax due" threshold of \$80,000 in taxable revenue for the full calendar year; January through December. If your 2008 taxable revenue was under \$80,000 and you have filed quarterly returns, you will need to request a refund in writing by providing copies of original returns and worksheets along with an explanation or reason the refund is being requested. Please note, that if the taxable gross income was reduced below the taxable threshold by the intrastate deduction, the business square footage tax will apply.

Please allow a minimum of 90 days for any approved refund to be issued.

Instructions on How to Amend a Prior City of Seattle Business License Tax Return

1. Make a copy of the return and/or worksheet as originally filed.
2. Make the appropriate corrections on the return/worksheet in red ink or any BOLD color.
3. Cross out (with a simple line through) any erroneous figures, again in red or bold ink.
4. If necessary, highlight corrections so they are easily seen.
5. Write "AMENDED" on the top portion of the return/worksheet.
6. Include a letter or note with your amended return/worksheet, explaining the reason for any changes, especially if the original over reported revenue *.
7. Send the letter and your amended return(s) to the address listed on the tax return.

If you have any additional questions and desire assistance, you may contact our Customer Service Representatives by calling 206-684-8484.

*Requests for refund must be submitted in writing and requested for periods where taxes accrued and paid no more than 4 (four) years prior to the beginning of the calendar year in which the request is being made. Refunds may take approximately 6-12 weeks to process. You may be contacted for additional information concerning overpayments. If the additional refund/overpayment information is not received in writing within forty-five (45) days, the request for refund will be canceled. If you prefer, a tax credit notice may be issued in lieu of a refund to be used towards future tax payments.

Commercial Parking Tax

The City of Seattle Commercial Parking Tax went into effect on July 1, 2007. Please note, effective July 1, 2008 the Parking tax rate went from 5% to 7.5%. Effective July 1, 2009, the parking tax rate will go from 7.5% to 10%. The parking tax imposes a tax as authorized in RCW 82.80.030 for the act or privilege of parking a motor vehicle in a commercial parking lot within the City of Seattle. The tax is imposed on the vehicle driver and collected by the commercial parking lot business on behalf of the City. Any person charging fees to vehicle drivers for the act or privilege of parking motor vehicles is subject to the tax. The parking tax may also be due when a parking fee is combined with other payments such as lease payments or rent, or is otherwise not separately stated, or does not result from an arm's length transaction, or does not fairly reflect the value of the act or privilege of parking. Please be aware that if you have parking spaces that are included in or part of your building lease or rent payment, you may have a Commercial parking tax liability. Please review Seattle rule 5-925 Seattle Parking Tax computation at: <http://clerk.ci.seattle.wa.us/~finance/finhome.htm>. Additional information about the Parking tax may be found at: <http://www.seattle.gov/rca/taxes/CommParkingTax.htm>.

Changes regarding the Taxation of Internet Access

Effective July 1, 2008, internet access is no longer subject to Seattle Business taxes in accordance with the federal moratorium against the imposition of state and local taxes on Internet access, originally enacted by the 1998 Internet Tax Freedom Act (ITFA) and extended by the Internet Tax Nondiscrimination Act (ITNA), and has now been extended again, until November 1, 2014, under the federal Internet Tax Freedom Act Amendments Act of 2007 (Public Law 110-108) (ITFAA).

Under the federal Internet Tax Freedom Act Amendments Act of 2007, the grandfather provision that allowed the City of Seattle to tax internet Access under the Seattle gross receipts or B&O tax, and to tax telecommunications service purchased, used, or sold by a provider of Internet access, expired June 30, 2008.

If you continued to include gross income from the sale of internet access on your Seattle Business tax filings for the third quarter 2008, then you may be entitled to a refund for this period. For instructions on how to file and amended Seattle tax return, please go to <http://www.seattle.gov/rca/pdfs/AmendedReturnInstruction.pdf>.

Seattle Business Tax Rules on-line

For your information, you may obtain a copy of any rule at <http://clerk.ci.seattle.wa.us/~finance/finhome.htm> or by an email request or calling the City of Seattle, Department of Finance, Revenue and Consumer Affairs Division at (206) 684-8484.

Training classes offered

Training classes for the square footage business tax, new apportionment and allocation requirements, and business license tax are now available. Dates for the training classes are June 22, July 16 and August 17. To register, please call 206 233-3789.

HAVE QUESTIONS? -- CALL EARLY!

Information line (206) 684-8484 or fax (206) 684-5170

Email – rca.bizlictx@seattle.gov